



# KANSAS

DIVISION OF THE BUDGET  
DUANE A. GOOSSEN, DIRECTOR

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TO: State Agencies

FROM: Duane A. Goossen, Director of the Budget

DATE: May 11, 2006

SUBJECT: Scheduling Advisory

This memorandum provides information for the next budget cycle.

**Pay Plan for State Employees.** The Legislature approved a pay plan for FY 2007 consisting of several parts. First, it increases each cell of the classified pay matrix by 1.5 percent, effective June 18, 2006. Second, it provides for the advancement of one step on the pay matrix for all classified employees who have a satisfactory evaluation, effective September 10, 2006, including employees who are beyond the limits of the matrix. Third, an increase of 2.0 percent was approved for unclassified employees, also effective June 18. Fourth, there will be a \$.30 per hour retention incentive pay rate differential for certain building trades job classes.

Instead of including the funds in each agency budget, as has been the practice for a number of years, the Legislature appropriated monies for implementation of the state employee pay plan for the Executive Branch to the State Finance Council to be distributed to each applicable account of the State General Fund, Economic Development Initiatives Fund, and State Water Plan Fund upon recommendation of the Director of the Budget. The Finance Council was also given authority to increase expenditure limitations on special revenue funds accordingly.

The Division of the Budget, in cooperation with the Division of Personnel Services, will use current data from the SHARP personnel and payroll system and funding allocations from the budget management system to make these calculations in May and early June. It is expected that the Finance Council will meet before the end of June to approve these distributions, so the financing can be in place in each agency's budget before the new FY 2007 begins.

In addition to the basic plan, the Legislature approved salary enhancements for several other agencies, including the Department of Corrections, Juvenile Justice Authority, Larned State Security Hospital, and Kansas Bureau of Investigation. However, funds were appropriated directly to these agencies to finance these salary enhancements.

**Salary Increases for Unclassified Employees.** The Division of the Budget will certify a pool of funds for unclassified employees for FY 2007 based on an average increase of 2.0 percent. The certification will be made for only those Executive Branch agencies under the Governor's jurisdiction. Regents universities, the Judiciary, legislative agencies, and Executive Branch elected officials are not part of this process. The

unclassified salary pools, together with a set of instructions for distributing the pools in the SHARP system, will be distributed jointly with the Division of Personnel Services approximately May 15. Agencies will need to finish distributing the pools by May 30. Funding to implement the unclassified salary increase will be distributed to agencies, as explained in the first item, on the basis of the unclassified salary pools certified by the Division of the Budget.

**Capital Budget.** Instructions for the submission of five-year capital improvement plans will be distributed right after this advisory. Agencies with capital facilities will be requested to submit their plans by July 1 on traditional paper forms and enter all pertinent capital data into the budget management system by September 15, along with the rest of the budget estimates.

**Allocations.** Allocation amounts for the base budget level of agency budget submissions will be provided in early to mid-July to Executive Branch agencies.

**Budget Instructions.** The *Budget Cost Indices* will be posted on the DOB website approximately June 12. *Budget Instructions* and the *Users' Manual* for the Budget System will be revised to reflect changes to budget procedures and will be available for download from the DOB website approximately July 5.

**Training.** Training for the preparation of budgets and use of the budget management system for state agencies will be conducted the week of July 17 through July 21. Registration for the training sessions will begin in early June.

**Budget System.** The budget system will be open for agencies to enter their budget requests approximately August 14 after the download of actual FY 2006 data from the STARS system.